

Message Text

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SUBJ: SPECIAL TRADE OPPORTUNITY: BOLIVIANS SHOPPING FOR C-130

REF: LA PAZ 3173

1. SEVERAL BOLIVIAN GOVERNMENT ENTITIES CONTINUE SHOW INTEREST IN PURCHASING OR ACQUIRING C-130 TYPE AIRCRAFT. TYPE OF AIRCRAFT REQUIRED WOULD BE CAPABLE OF HANDLING OUTSIZED CARGOES ABOVE 35,000 POUNDS WITH ABILITY LAND ON REMOTE AND ROUGH LANDING STRIPS IN VARIED GEOGRAPHY AND ALTITUDES OF THIS COUNTRY

2. IN EARLY MAY, 1974 BOLIVIAN AIR FORCE CONSIDERED PURCHASE OF NEW AIRCRAFT AND LATER OF USED. LONG DELIVERY LEAD TIME AND PRICE TAG OF NEW C-130, UNAVAILABILITY OF USED C-130S AND IMMEDIATE AVAILABILITY OF FMS CREDIT CAUSED AIR FORCE TO PURCHASE FIVE USED CONVAIR 580S INSTEAD. INTEREST IN C-130 HAS CONTINUED NONETHELESS.

3. NOW, EMBASSY HAS HEARD FOUR VERSIONS OF POSSIBLE PURCHASE INTENTIONS. FIRST, THAT STATE PETROLEUM AUTHORITY, YACIMIENTOS PETROLIFEROS FISCALES BOLIVIANOS (YPFB) WOULD BUY AIRCRAFT FOR OWN USE AND FOR USE INTERNATIONAL PETROLEUM COMPANIES NOW ENGAGED IN EXPLORATION HERE. (WE DOUBT THIS STORY AND BELIEVE GOVERNMENT, OR AT LEAST SOME ELEMENTS OF IT, DOES NOT WANT YPFB TO ENTER AVIATION BUSINESS DIRECTLY) SECOND, YPFB WOULD FINANCE OR GUARANTEE FINANCING OF TWO AIRCRAFT BY LLOYD AEREO BOLIVIANO (LAB), COMMERCIAL AIR CARRIER ALMOST ENTIRELY OWNED BY GOVERNMENT. THREE, THAT YPFB WOULD ENTER A SHARING AGREEMENT WITH BOLIVIAN AIR FORCE FOR PURCHASE AND USE OF AIRCRAFT. FOUR, ACCORDING TO LOCKHEED REP, U.S. BANK WILLING
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DISCUSS FINANCING C-130 PURCHASE WITH BOLIVIAN AIR FORCE.

4. MARIO PATINO, PRESIDENT OF LAB, HAS ASKED EMBASSY ASSISTANCE IN OBTAINING BEST QUOTATIONS ON NEW AND USED C-130 TYPE AIRCRAFT. HE SAID HE WAS DISAPPOINTED THAT LOCKHEED SOUTH AMERICA REP DID NOT VISIT LAB DURING RECENT BRIEF VISIT TO LA PAZ. AS RESULT LOCKHEED REP VISIT, WE UNDERSTAND BOLIVIAN AIR FORCE GIVEN 90-DAY PRICE AND AVAILABILITY QUOTATION. ON OTHER HAND, PATINO TOLD EMBOFF THAT LAB DEFINITELY WOULD OBTAIN C-130 TYPE AIRCRAFT WITH YPFB SUPPORT AND THAT ANY AIR FORCE ACQUISITION THIS TYPE AIRCRAFT WOULD BE SEPARATE AND ADDITIONAL ARRANGMENT. PATINO ALSO SAID THAT LAB NOW IN CONVERSATIONS WITH ALASKA AIR INTERNATIONAL OF FAIRBANKS TO ESTABLISH CONTRACTUAL RELATIONSHIP WITH VIEW TO ALASKA INTERNATIONAL STATIONING C-130 HERE FIRST SEMESTER 1975, MAINLY FOR USE BY PETROLEUM COMPANIES.

ALASKA INTERNATIONAL HAS BEEN DISCUSSING ASSISTANCE TO LAB TO PREPARE FOR C-130 OWNERSHIP

5. EMBASSY THEREFORE REQUESTS THAT USDOC INFORM LOCKHEED AND OTHER POSSIBLE SOURCES OF C-130 TYPE AIRCRAFT OF LAB'S REQUEST FOR INFORMATION AS INDICATED PARA 4. LAB STATES IT WOULD PREFER TO DEAL DIRECTLY WITH AIRCRAFT OWNERS BUT WILL CONSIDER OFFERS FROM AGENTS IF THEY ABLE OBTAIN GOOD CONDITION USED AIRCRAFT IN NEXT YEAR. AT TIME OF LAST REQUEST REGARDING USED AIRCRAFT (REFTEL), FOLLOWING COMPANIES REPLIED -- MOST WITH PESSIMISTIC VIEW: ANTHONY BENEDETTO & ASSOCIATES, WAKEFIELD, MASS.: D.E. HELLBUSCH GROUP, CANEGO PARK, CALIF., E. MERLE RUSSELL, ARLINGTON, VIRGINIA: MID-CONTINENT AIRCRAFT COL., HAYTH, MISSOURI: AND WILL STRONG, TLEDYNE INTERNATIONAL TRADING COMPANY

6. CORRESPOND DIRECT WITH MY (RET) MARIO PATINO, PRESIDENTE, LLOYD AEREO BOLIVIANO, LA PAZ. EMBASSY WOULD APPRECIATE RECEIVING INFO COPIES CORRESPONDENCE.
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